DOCKET FILE COPY ORIGINAL

1020 Nineteenth Street, N.W.
Suite 700
Washington, DC 20036
303 896-1446
fax: 202 296-5157

John W. Kure
Executive Director - Federal Policy and Law

Qwest

November 16, 2001

RECEIVED

NOV 16 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-A325
Washington, DC 20554

Re: Cost Review Proceeding for Residential and Single-Line Business Subscriber Line Charge (SLC) Caps – CC Docket Nos. 96-262, 94-1

Dear Ms. Salas:

Qwest Corporation ("Qwest") hereby respectfully submits the cost information requested by the Federal Communications Commission ("Commission") for reviewing the residential and single-line business subscriber line charge ("SLC") caps.[1] In this submission, Qwest supplies forward looking cost information demonstrating that increases of its residential and single-line business SLC caps as provided for in the Commission's rules are warranted.[2]

---

[1] *See Initiation of Cost Review Proceeding for Residential and Single-Line Business Subscriber Line Charge (SLC) Caps; Pleading Cycle Established, Public Notice*, CC Docket Nos. 96-262, 94-1, DA 01-2163 (rel. Sept. 17, 2001). *See also Limited Extension of Time to File Cost Submissions, Comments, and Reply Comments in the Cost Review Proceeding for Residential and Single-Line Business Subscriber Line Charge (SLC) Caps, Public Notice*, CC Docket Nos. 96-262, 94-1, DA 01-2327 (Oct. 5, 2001); *Limited Extension of Time to File Comments and Reply Comments in the Cost Review Proceeding for Residential and Single-Line Business Subscriber Line Charge (SLC) Caps, Public Notice*, CC Docket Nos. 96-262, 94-1, DA 01-2547 (Nov. 1, 2001).

[2] Under the Commission's current rules, the SLC cap for primary residential and single-line business lines will increase to $6.00 on July 1, 2002, and $6.50 on July 1, 2003.

In the *CALLS Order*, the Commission stated that it would require price cap local exchange carriers ("LEC") to submit forward looking cost information so the Commission could verify that increases to residential and single-line business SLC caps above $5.00 are appropriate and reflect higher costs where they are to be applied.[3] In this submission, Qwest provides detailed forward looking cost information that justifies such increases.

The SLC recovers the interstate portion of local loop and line switch port costs from an end user. Because Qwest currently computes a separate SLC for each of its study areas, Qwest is providing forward looking cost information for the loop and switch port in each Qwest study area. These costs are then multiplied by jurisdictional separations factors to determine the interstate portions of these costs. The SLC also recovers marketing expenses as defined in Section 69.156 of the Commission's rules. Because of their unique origin, Qwest has not included marketing expenses in its forward looking cost studies, but rather has added the marketing expense from its 2001 Annual Price Cap Filing directly to the separated forward looking cost information.[4]

However, the maximum SLC in a particular area would be the lesser of the SLC cap and the Average Price Cap CMT Revenue per Line month. *See* 47 C.F.R. § 69.152(d)(1).

[3] *In the Matter of Access Charge Reform; Price Cap Performance Review for Local Exchange Carriers; Low-Volume Long-Distance Users; Federal-State Joint Board On Universal Service, Sixth Report and Order in CC Docket Nos. 96-262 and 94-1, Report and Order in CC Docket No. 99-249, Eleventh Report and Order in CC Docket No. 96-45*, 15 FCC Rcd. 12962, 12994 ¶ 83 (2000) ("*CALLS Order*"), *aff'd in part and remanded in part on other grounds sub nom., Texas Office of Pub. Util. Counsel v. FCC*, 265 F.3d 313 (5th Cir. 2001).

[4] Through application of the Commission's rules, Qwest has eliminated its Transport Interconnection Charge ("TIC"). Thus, such a charge is not recovered in Qwest's SLCs.

Attachment 1 summarizes the results of Qwest's cost study. In particular, Attachment 1 identifies the interstate portion of the forward looking cost of the loop and port, plus marketing expenses, for each Qwest study area, as well as such costs on a total company basis. Attachments 2, 3 and 4 provide a breakdown of the forward looking cost for the loop and the port in each Qwest study area.

In the following sections, Qwest describes the methodologies used to compute appropriate costs for loops, switch ports, and marketing, and discusses how the results of these methodologies compare to current CMT per line.

I. LOOP COSTS

A local loop includes feeder facilities, digital loop carrier systems, serving area interfaces, distribution facilities, drop wires, and network interface devices. Qwest uses its LoopMod model to estimate the forward looking cost of its investment in each of these components of the loop. LoopMod applies forward looking design principles and incorporates customer location and demand quantities to develop the network components required to provide local telephone service in a given area. The program "builds" cables and associated network hardware to connect distant customer locations to the central office serving those locations. It establishes cable sizes, cable types (*e.g.*, copper versus fiber), and structure types (*e.g.*, underground versus buried) based on user-controlled inputs. LoopMod is specifically designed to account for the unique characteristics and demographics of Qwest's study areas. The Investment Cost Calc-Loop pages in

Attachment 2 provide a summary of the results of the LoopMod program for each study area.

After computing loop investments, Qwest used a computer program called the Retail Cost Program to convert these investments into monthly recurring costs. The Retail Cost Program applies cost factors to investments to generate monthly recurring costs for the loop. For this filing, Qwest uses economic cost factors that are based on Qwest's regulated accounts and its forward looking cost of money for the Third Quarter of 2001. Qwest's current cost of money, which is a weighting of debt and equity costs, is 11.7 % per annum.[5] The Investment Cost Calc-Loop and the Total Product Cost-Loop pages in Attachment 2 set forth the factors and calculations in the Retail Cost Program for each study area. As shown in Attachment 1, Qwest calculated the interstate portion of the loop cost using the current separations factor of 25% of total loop cost.

II. SWITCH PORT COSTS

The cost of the switch port consists of two categories: (1) costs of Non-Traffic Sensitive Central Office Equipment ("NTS-COE"), which are shown in Attachment 3, and

[5] Qwest updates its cost of money figures quarterly, based on objective data sources and widely-accepted financial models. Qwest derives its cost of money analysis from other companies in its industry as well as companies with similar risk profiles. The equity portion of cost of money is based on financial models such as the Capital Asset Pricing Model and the Discounted Cash Flow Model.

(2) a right-to-use (or "RTU") fee and associated costs for switch applications software, which are found in Attachment 4.[6]

The NTS-COE is equipment that is required to terminate a loop in the central office. The most significant parts of this investment are the line card in the switch and the Main Distribution Frame. Qwest uses its Switch Cost Model to compute the forward looking investment for this equipment in each study area, based on Qwest's most current contracts with its switch vendors. As it did in computing monthly loop cost, Qwest used the Retail Cost Program to convert NTS-COE investment into monthly recurring costs. For this computation, Qwest also used the same economic cost factors that it used for loop costs, including a cost of money of 11.7 % per annum. The Total Product Cost-NTS-COE pages of Attachment 3 set forth these factors and calculations for each study area. Qwest allocated the NTS-COE cost to the interstate jurisdiction based on actual interstate versus total minutes of use. The interstate portion varies by study area and ranges from 12% to 35% based on year 2000 records. These calculations are shown in Attachment 1.

The "right-to-use" fee is the cost of switch applications software obtained from switch vendors. Qwest finances the acquisition of such software rights through capital leases. To calculate the forward looking cost of a right-to-use fee, Qwest converted the capital value of its most recent right-to-use capital leases to a monthly capital lease payment assuming current financing costs. This gross monthly capital lease payment was

[6] Qwest's Switch Cost Model, which was used to generate port costs, is designed to compute costs for Qwest's service territory in an entire state, rather than in each study area.

then divided by total working lines to yield the per-line direct expense shown in line 5 of Attachment 4. The Retail Cost Program was then used to load this direct expense with appropriate network support, directly attributable, and common costs, as shown in Attachment 4. Qwest allocated a portion of the RTU cost to the interstate jurisdiction, and to the port, based on data from the 2000 ARMIS 43-01 report by Study Area.[7] This attributable portion of the RTU cost varies from 12% to 18%, as shown in Attachment 1.

III. MARKETING EXPENSES

Prior to 1997, the marketing expenses that are currently allocated to the CMT basket were spread among the common line and traffic sensitive price cap baskets, and the switched services within the trunking basket. At that time, the Commission moved these expenses to a new marketing basket.[8] Pursuant to the rules applicable to the 2000 annual filing,[9] Qwest added the expenses that remained in the marketing basket to the CMT basket to be recovered via the common line rate elements. Clearly, the marketing expenses currently in the CMT basket were not, and are not, associated with any particular rate

---

As a result, Qwest has computed a single set of port costs for its two study areas in Idaho.

[7] The assignment of the costs that are associated with the port to the interstate jurisdiction is based on the Commission's Part 36 and Part 69 rules. In particular, Qwest calculated the "RTU % Interstate Allocation" in Attachment 1 by dividing the Amortizable Asset Investment from Row 1680, Column M (Common Line Interstate) by the value in Row 1680, Column F (Subject to Separations).

[8] *In the Matter of Access Charge Reform; Price Cap Performance Review for Local Exchange Carriers; Transport Rate Structure and Pricing; End User Common Line Charges*, CC Docket Nos. 96-262, 94-1, 91-213, 95-72, *First Report and Order*, 12 FCC Rcd. 15982 (1997), *aff'd sub nom., Southwestern Bell Tel. Co. v. FCC*, 153 F.3d 523 (8th Cir. 1998).

elements. Indeed, the Commission assigned these costs to a separate basket in 1997 because the costs were not specifically associated with marketing the services in the baskets to which they had previously been allocated, but instead were a residual of the Part 32 accounting and Part 36 separations processes. Given this history, it would be inappropriate to compute a cap on the SLC using a forward looking estimate of marketing expenses associated solely with the services in the CMT basket. Accordingly, Qwest has not attempted to do a forward looking cost study for this portion of the CMT and also has not included any marketing in the forward looking cost studies for the loop and port. To create an 'apples to apples' comparison of costs to rates, Qwest uses the marketing expenses reflected in its 2001 annual price cap filing and shown in Attachment 1.[10]

IV. CONCLUSION

By this filing, Qwest has complied with the Commission's request for forward looking cost information. Qwest has also demonstrated that those costs support the current common line rates and justify increases of the residential and single-line business SLCs to the caps currently specified in the Commission's rules. By raising the SLCs as allowed by the current rules and in concert with the Commission's goals and the mandates of the Telecommunications Act of 1996, Qwest will be able to remove much of any subsidy running from multi-line business subscribers to residential and single-line business

---

[9] 47 C.F.R. § 69.156.

[10] Qwest derived the marketing expenses reflected in Attachment 1 and the 2001 annual filing by multiplying the ratio of marketing expenses to total CMT in its initial CALLS filing by the total CMT in the 2001 annual filing.

subscribers in the form of PICCs paid by interexchange carriers.[11]

Please call if you have any questions.

Sincerely,

John W. Kure

Attachments (including Certificate of Service)

[11] *See CALLS Order*, 15 FCC Rcd. at 13006 ¶ 111.

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION, ATTACHMENT 1

Summary of Monthly Cost

State	1999 & 2000 Average Total Billable Access Lines	Attachment 2: Loop w/o Marketing	Loop % Interstate Allocation	Interstate Loop w/o Marketing	Attachment 3: NTS-COE w/o Marketing	NTS-COE % Interstate Allocation	Interstate NTS-COE w/o Marketing	Attachment 4: RTU Software w/o Marketing	RTU % Interstate Allocation	Interstate RTU w/o Marketing	Total Interstate Port w/o Marketing	2001 Annual Filing Marketing	Total CMT Interstate Cost w/ Marketing
ARIZONA	2,910,605	$ 25.97	25%	$ 6.49	$ 1.69	16%	$ 0.27	$ 0.50	15%	$ 0.08	$ 0.35	$ 0.43	**$ 7.27**
COLORADO	2,827,816	$ 23.14	25%	$ 5.79	$ 1.86	16%	$ 0.30	$ 0.51	15%	$ 0.07	$ 0.37	$ 0.48	**$ 6.64**
IDAHO-north	33,742	$ 46.03	25%	$ 11.51	$ 1.68	35%	$ 0.58	$ 0.50	14%	$ 0.07	$ 0.65	$ 0.49	**$ 12.65**
IDAHO-south	538,780	$ 30.95	25%	$ 7.74	$ 1.68	16%	$ 0.26	$ 0.50	14%	$ 0.07	$ 0.33	$ 0.41	**$ 8.48**
IOWA	1,139,655	$ 25.94	25%	$ 6.49	$ 1.66	13%	$ 0.22	$ 0.49	13%	$ 0.06	$ 0.28	$ 0.31	**$ 7.08**
MINNESOTA	2,342,717	$ 24.31	25%	$ 6.08	$ 1.71	12%	$ 0.21	$ 0.51	13%	$ 0.06	$ 0.28	$ 0.31	**$ 6.66**
MONTANA	384,424	$ 37.54	25%	$ 9.38	$ 1.69	16%	$ 0.27	$ 0.51	14%	$ 0.07	$ 0.34	$ 0.48	**$ 10.21**
NEBRASKA	514,331	$ 26.47	25%	$ 6.62	$ 1.64	16%	$ 0.25	$ 0.49	12%	$ 0.06	$ 0.31	$ 0.36	**$ 7.29**
NEW MEXICO	848,057	$ 29.55	25%	$ 7.39	$ 1.65	17%	$ 0.27	$ 0.49	15%	$ 0.08	$ 0.35	$ 0.50	**$ 8.24**
NORTH DAKOTA	241,463	$ 30.76	25%	$ 7.69	$ 1.64	14%	$ 0.22	$ 0.52	14%	$ 0.07	$ 0.29	$ 0.46	**$ 8.45**
OREGON	1,445,727	$ 27.43	25%	$ 6.86	$ 1.69	14%	$ 0.24	$ 0.51	15%	$ 0.08	$ 0.31	$ 0.43	**$ 7.60**
SOUTH DAKOTA	285,198	$ 32.37	25%	$ 8.09	$ 1.56	27%	$ 0.43	$ 0.48	15%	$ 0.07	$ 0.50	$ 0.41	**$ 9.00**
UTAH	1,160,377	$ 18.97	25%	$ 4.74	$ 1.59	14%	$ 0.23	$ 0.50	14%	$ 0.07	$ 0.30	$ 0.41	**$ 5.45**
WASHINGTON	2,605,863	$ 19.95	25%	$ 4.99	$ 1.61	13%	$ 0.20	$ 0.50	14%	$ 0.07	$ 0.27	$ 0.38	**$ 5.64**
WYOMING	258,675	$ 39.10	25%	$ 9.77	$ 1.71	25%	$ 0.43	$ 0.50	18%	$ 0.09	$ 0.52	$ 0.62	**$ 10.91**
Weighted Average	17,537,430	$ 25.05		$ 6.26	$ 1.69		$ 0.25	$ 0.50		$ 0.07	$ 0.32	$ 0.41	**$ 7.00**

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
INVESTMENT COST CALC-LOOP-AZ

Arizona — SLC Study

Acct	FRC	Account Name	Investment	Depreciation	Cost Of Money	Income Tax	Ad Valorem	Maintenance	Switch RTU	Total Capital Costs
SLC Loop - Residence										
2411	1C	Poles	12.73	0.10	0.07	0.04	0.01	0.01	0.00	0.22
2421.11,.21	52C	Aerial Cable - Metallic	21.00	0.17	0.12	0.06	0.02	0.24	0.00	0.61
2431	3C	Aerial Wire	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.01
2441	4C	Conduit System	79.60	0.14	0.50	0.27	0.09	0.04	0.00	1.04
2422.11,.21	5C	Underground Cable - Metallic	52.62	0.35	0.30	0.16	0.06	0.19	0.00	1.06
2423.11,.21	45C	Buried Cable - Metallic	466.04	2.18	2.69	1.43	0.53	3.87	0.00	10.69
2426.1	62C	Intrabuilding Network Cable - Metallic	12.34	0.07	0.07	0.04	0.01	0.08	0.00	0.27
2422.12,.22	85C	Underground Cable - NonMetallic	5.45	0.03	0.03	0.02	0.01	0.01	0.00	0.09
2232.2	257C	Circuit Equipment - Pair Gain - Digital	113.18	1.03	0.50	0.27	0.13	0.13	0.00	2.05
2423.12,.22	845C	Buried Cable - NonMetallic	55.54	0.28	0.31	0.17	0.06	0.08	0.00	0.90
2421.12,.22	852C	Aerial Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2426.2	862C	Intrabuilding Network Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2423.11	35C	Buried Cable - Drop	84.69	0.40	0.49	0.26	0.10	0.70	0.00	1.94
2421.11	42C	Aerial Cable - Drop	11.89	0.10	0.07	0.03	0.01	0.14	0.00	0.34
2111	20C	Land	0.40	0.00	0.00	0.00	0.00	0.00		0.01
2121	110C	Building	4.62	0.01	0.03	0.02	0.01	0.02		0.09
		Total	**920.34**	**4.86**	**5.18**	**2.76**	**1.04**	**5.50**	**0.00**	**19.33**

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
TOTAL PRODUCT COST-LOOP-AZ

Row	11/12/01 3:23 PM Arizona	Source or Calculation	Factor Value	SLC Loop - Residence
			A	B
1	**Investment**	sl r"Total" cD		920.34
2				
3	***Investment Based Costs***	***sl r"Total" cK***		19.33
4				
5	Direct Expenses			0.00
6	Miscellaneous Expenses			0.00
7	Billing & Collection - PL			0.00
8	***Investment Based + Direct Costs***			19.33
9				
10	***Commercial - Residence***			
11	Product Management Expense			N/A
12	Sales Expense			N/A
13	Product Advertising Expense			N/A
14	Business Fees (Other Operating Taxes)	cA*(r8-r6)	0.001788	0.03
15	***Total Commercial Costs***	***Sum r14:r14***		0.03
16				
17	***Total Direct Costs (TSLRIC)***	***r8 + r15***		19.37
18				
19	***Network Support***			
20	Network Operations	cA*(r8-r6)	0.048727	0.94
21	Network Support Assets	cA*(r8-r6)	0.015943	0.31
22	***Total Network Support Costs***	***Sum r20:r21***		1.25
23				
24	***Direct + Network Support Costs***	***r17 + r22***		20.62
25				
26	***Directly Attributable***			
27	General Support Assets	cA*(r8-r6)	0.091020	1.76
28	General Purpose Computers	cA*(r8-r6)	0.036620	0.71
29	Uncollectible	cA*(r8-r6)	0.013252	0.26
30	Accounting & Finance Expense	cA*(r8-r6)	0.008754	0.17
31	Human Resources Expense	cA*(r8-r6)	0.008452	0.16
32	Information Management Expense	cA*(r8-r6)	0.060009	1.16
33	Intangibles	cA*(r8-r6)	0.003341	0.06
34	***Total Directly Attributable Costs***	***Sum r27:r33***		4.28
35				
36	***Direct + Ntwk Supp + Attributable Costs***	***r24 + r34***		24.90
37				
38	Common	cA*(r8-r6)	0.055454	1.07
39				
40	***Fully Allocated Costs***	***r36 + r38***		25.97

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
INVESTMENT COST CALC-LOOP-CO

Colorado — **SLC Study**

Acct	FRC	Account Name	Investment	Depreciation	Cost Of Money	Income Tax	Ad Valorem	Maintenance	Switch RTU	Total Capital Costs
SLC Loop - Residence										
2411	1C	Poles	13.55	0.13	0.07	0.03	0.01	0.06	0.00	0.29
2421.11,.21	52C	Aerial Cable - Metallic	22.90	0.21	0.12	0.06	0.01	0.29	0.00	0.69
2431	3C	Aerial Wire	0.50	0.01	0.00	0.00	0.00	0.00	0.00	0.02
2441	4C	Conduit System	71.35	0.12	0.45	0.23	0.04	0.03	0.00	0.87
2422.11,.21	5C	Underground Cable - Metallic	52.49	0.40	0.28	0.14	0.03	0.19	0.00	1.04
2423.11,.21	45C	Buried Cable - Metallic	419.79	2.03	2.43	1.21	0.23	2.33	0.00	8.23
2426.1	62C	Intrabuilding Network Cable - Metallic	14.73	0.07	0.08	0.04	0.01	0.09	0.00	0.30
2422.12,.22	85C	Underground Cable - NonMetallic	5.99	0.03	0.03	0.02	0.00	0.01	0.00	0.09
2232.2	257C	Circuit Equipment - Pair Gain - Digital	128.76	1.12	0.57	0.29	0.07	0.15	0.00	2.20
2423.12,.22	845C	Buried Cable - NonMetallic	84.93	0.41	0.49	0.25	0.05	0.10	0.00	1.29
2421.12,.22	852C	Aerial Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2426.2	862C	Intrabuilding Network Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2423.11	35C	Buried Cable - Drop	71.81	0.35	0.41	0.21	0.04	0.40	0.00	1.41
2421.11	42C	Aerial Cable - Drop	11.02	0.10	0.06	0.03	0.01	0.14	0.00	0.33
2111	20C	Land	0.33	0.00	0.00	0.00	0.00	0.00		0.01
2121	110C	Building	9.95	0.03	0.07	0.03	0.01	0.05		0.19
		Total	**908.10**	**5.01**	**5.08**	**2.54**	**0.49**	**3.83**	**0.00**	**16.95**

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
TOTAL PRODUCT COST-LOOP-CO

Row	11/12/01 3:58 PM Colorado	Source or Calculation	Factor Value	SLC Loop - Residence
			A	B
1	**Investment**	sl r"Total" cD		908.10
2				
3	***Investment Based Costs***	***sl r"Total" cK***		16.95
4				
5	Direct Expenses			0.00
6	Miscellaneous Expenses			0.00
7	Billing & Collection - PL			0.00
8	***Investment Based + Direct Costs***			16.95
9				
10	***Commercial - Residence***			
11	Product Management Expense			N/A
12	Sales Expense			N/A
13	Product Advertising Expense			N/A
14	Business Fees (Other Operating Taxes)	cA*(r8-r6)	0.011465	0.19
15	***Total Commercial Costs***	***Sum r14:r14***		0.19
16				
17	***Total Direct Costs (TSLRIC)***	***r8 + r15***		17.14
18				
19	***Network Support***			
20	Network Operations	cA*(r8-r6)	0.067311	1.14
21	Network Support Assets	cA*(r8-r6)	0.017513	0.30
22	***Total Network Support Costs***	***Sum r20:r21***		1.44
23				
24	***Direct + Network Support Costs***	***r17 + r22***		18.58
25				
26	***Directly Attributable***			
27	General Support Assets	cA*(r8-r6)	0.060519	1.03
28	General Purpose Computers	cA*(r8-r6)	0.049424	0.84
29	Uncollectible	cA*(r8-r6)	0.009365	0.16
30	Accounting & Finance Expense	cA*(r8-r6)	0.008466	0.14
31	Human Resources Expense	cA*(r8-r6)	0.008013	0.14
32	Information Management Expense	cA*(r8-r6)	0.064087	1.09
33	Intangibles	cA*(r8-r6)	0.003755	0.06
34	***Total Directly Attributable Costs***	***Sum r27:r33***		3.45
35				
36	***Direct + Ntwk Supp + Attributable Costs***	***r24 + r34***		22.03
37				
38	Common	cA*(r8-r6)	0.065714	1.11
39				
40	***Fully Allocated Costs***	***r36 + r38***		23.14

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
INVESTMENT COST CALC-LOOP-ID(n)

Idaho — SLC Study

Acct	FRC	Account Name	Investment	Depreciation	Cost Of Money	Income Tax	Ad Valorem	Maintenance	Switch RTU	Total Capital Costs
SLC Loop - Residence										
2411	1C	Poles	37.21	0.46	0.17	0.09	0.02	0.10	0.00	0.84
2421.11,.21	52C	Aerial Cable - Metallic	58.80	0.49	0.32	0.18	0.03	0.52	0.00	1.54
2431	3C	Aerial Wire	3.59	0.08	0.03	0.01	0.00	0.00	0.00	0.13
2441	4C	Conduit System	51.90	0.08	0.33	0.18	0.03	0.01	0.00	0.64
2422.11,.21	5C	Underground Cable - Metallic	31.22	0.20	0.17	0.09	0.02	0.08	0.00	0.56
2423.11,.21	45C	Buried Cable - Metallic	1,008.80	4.97	5.79	3.17	0.58	2.82	0.00	17.33
2426.1	62C	Intrabuilding Network Cable - Metallic	0.92	0.00	0.01	0.00	0.00	0.00	0.00	0.02
2422.12,.22	85C	Underground Cable - NonMetallic	8.34	0.04	0.05	0.03	0.00	0.01	0.00	0.12
2232.2	257C	Circuit Equipment - Pair Gain - Digital	268.81	2.76	1.22	0.67	0.15	0.22	0.00	5.02
2423.12,.22	845C	Buried Cable - NonMetallic	309.48	1.52	1.78	0.97	0.18	0.22	0.00	4.67
2421.12,.22	852C	Aerial Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2426.2	862C	Intrabuilding Network Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2423.11	35C	Buried Cable - Drop	128.75	0.63	0.74	0.40	0.07	0.36	0.00	2.21
2421.11	42C	Aerial Cable - Drop	23.80	0.20	0.13	0.07	0.01	0.21	0.00	0.62
2111	20C	Land	0.65	0.00	0.01	0.00	0.00	0.00		0.01
2121	110C	Building	9.81	0.03	0.07	0.04	0.01	0.02		0.16
		Total	**1,942.06**	**11.48**	**10.80**	**5.91**	**1.11**	**4.58**	**0.00**	**33.87**

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
TOTAL PRODUCT COST-LOOP-ID(n)

Row	11/12/01 4:04 PM Idaho (North)	Source or Calculation	Factor Value	SLC Loop - Residence
			A	B
1	**Investment**	sI r"Total" cD		1,942.06
2				
3	***Investment Based Costs***	***sI r"Total" cK***		33.87
4				
5	Direct Expenses			0.00
6	Miscellaneous Expenses			0.00
7	Billing & Collection - PL			0.00
8	***Investment Based + Direct Costs***			33.87
9				
10	***Commercial - Residence***			
11	Product Management Expense			N/A
12	Sales Expense			N/A
13	Product Advertising Expense			N/A
14	Business Fees (Other Operating Taxes)	cA*(r8-r6)	0.002992	0.10
15	***Total Commercial Costs***	***Sum r14:r14***		0.10
16				
17	***Total Direct Costs (TSLRIC)***	***r8 + r15***		33.98
18				
19	***Network Support***			
20	Network Operations	cA*(r8-r6)	0.042213	1.43
21	Network Support Assets	cA*(r8-r6)	0.016258	0.55
22	***Total Network Support Costs***	***Sum r20:r21***		1.98
23				
24	***Direct + Network Support Costs***	***r17 + r22***		35.96
25				
26	***Directly Attributable***			
27	General Support Assets	cA*(r8-r6)	0.107171	3.63
28	General Purpose Computers	cA*(r8-r6)	0.044346	1.50
29	Uncollectible	cA*(r8-r6)	0.013009	0.44
30	Accounting & Finance Expense	cA*(r8-r6)	0.008957	0.30
31	Human Resources Expense	cA*(r8-r6)	0.008364	0.28
32	Information Management Expense	cA*(r8-r6)	0.060398	2.05
33	Intangibles	cA*(r8-r6)	0.002849	0.10
34	***Total Directly Attributable Costs***	***Sum r27:r33***		8.30
35				
36	***Direct + Ntwk Supp + Attributable Costs***	***r24 + r34***		44.26
37				
38	Common	cA*(r8-r6)	0.052255	1.77
39				
40	***Fully Allocated Costs***	***r36 + r38***		46.03

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
INVESTMENT COST CALC-LOOP-ID(s)

Idaho — SLC Study

Acct	FRC	Account Name	Investment	Depreciation	Cost Of Money	Income Tax	Ad Valorem	Maintenance	Switch RTU	Total Capital Costs
SLC Loop - Residence										
2411	1C	Poles	19.49	0.24	0.09	0.05	0.01	0.05	0.00	0.44
2421.11,.21	52C	Aerial Cable - Metallic	31.90	0.27	0.17	0.10	0.02	0.28	0.00	0.84
2431	3C	Aerial Wire	0.78	0.02	0.01	0.00	0.00	0.00	0.00	0.03
2441	4C	Conduit System	66.29	0.11	0.42	0.23	0.04	0.01	0.00	0.81
2422.11,.21	5C	Underground Cable - Metallic	47.06	0.31	0.25	0.14	0.03	0.11	0.00	0.84
2423.11,.21	45C	Buried Cable - Metallic	641.27	3.16	3.68	2.02	0.37	1.79	0.00	11.02
2426.1	62C	Intrabuilding Network Cable - Metallic	14.64	0.07	0.09	0.05	0.01	0.07	0.00	0.28
2422.12,.22	85C	Underground Cable - NonMetallic	7.83	0.04	0.04	0.02	0.00	0.00	0.00	0.12
2232.2	257C	Circuit Equipment - Pair Gain - Digital	183.21	1.88	0.83	0.45	0.10	0.15	0.00	3.42
2423.12,.22	845C	Buried Cable - NonMetallic	207.43	1.02	1.19	0.65	0.12	0.15	0.00	3.13
2421.12,.22	852C	Aerial Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2426.2	862C	Intrabuilding Network Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2423.11	35C	Buried Cable - Drop	78.97	0.39	0.45	0.25	0.05	0.22	0.00	1.36
2421.11	42C	Aerial Cable - Drop	14.49	0.12	0.08	0.04	0.01	0.13	0.00	0.38
2111	20C	Land	0.44	0.00	0.00	0.00	0.00	0.00		0.01
2121	110C	Building	6.69	0.02	0.05	0.03	0.00	0.01		0.11
		Total	**1,320.49**	**7.64**	**7.36**	**4.03**	**0.76**	**3.00**	**0.00**	**22.78**

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
TOTAL PRODUCT COST-LOOP-ID(s)

Row	11/12/01 4:07 PM Idaho (South)	Source or Calculation	Factor Value	SLC Loop - Residence
			A	B
1	**Investment**	sl r"Total" cD		1,320.49
2				
3	***Investment Based Costs***	***sl r"Total" cK***		22.78
4				
5	Direct Expenses			0.00
6	Miscellaneous Expenses			0.00
7	Billing & Collection - PL			0.00
8	***Investment Based + Direct Costs***			22.78
9				
10	***Commercial - Residence***			
11	Product Management Expense			N/A
12	Sales Expense			N/A
13	Product Advertising Expense			N/A
14	Business Fees (Other Operating Taxes)	cA*(r8-r6)	0.002992	0.07
15	***Total Commercial Costs***	***Sum r14:r14***		0.07
16				
17	***Total Direct Costs (TSLRIC)***	***r8 + r15***		22.85
18				
19	***Network Support***			
20	Network Operations	cA*(r8-r6)	0.042213	0.96
21	Network Support Assets	cA*(r8-r6)	0.016258	0.37
22	***Total Network Support Costs***	***Sum r20:r21***		1.33
23				
24	***Direct + Network Support Costs***	***r17 + r22***		24.18
25				
26	***Directly Attributable***			
27	General Support Assets	cA*(r8-r6)	0.107171	2.44
28	General Purpose Computers	cA*(r8-r6)	0.044346	1.01
29	Uncollectible	cA*(r8-r6)	0.013009	0.30
30	Accounting & Finance Expense	cA*(r8-r6)	0.008957	0.20
31	Human Resources Expense	cA*(r8-r6)	0.008364	0.19
32	Information Management Expense	cA*(r8-r6)	0.060398	1.38
33	Intangibles	cA*(r8-r6)	0.002849	0.06
34	***Total Directly Attributable Costs***	***Sum r27:r33***		5.58
35				
36	***Direct + Ntwk Supp + Attributable Costs***	***r24 + r34***		29.76
37				
38	Common	cA*(r8-r6)	0.052255	1.19
39				
40	***Fully Allocated Costs***	***r36 + r38***		30.95

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
INVESTMENT COST CALC-LOOP-IA

Iowa			SLC Study							
Acct	FRC	Account Name	Investment	Depreciation	Cost Of Money	Income Tax	Ad Valorem	Maintenance	Switch RTU	Total Capital Costs
SLC Loop - Residence										
2411	1C	Poles	15.97	0.16	0.07	0.04	0.01	0.01	0.00	0.30
2421.11,.21	52C	Aerial Cable - Metallic	28.39	0.25	0.16	0.09	0.03	0.31	0.00	0.84
2431	3C	Aerial Wire	0.70	0.01	0.01	0.00	0.00	0.00	0.00	0.02
2441	4C	Conduit System	77.95	0.14	0.48	0.28	0.07	0.11	0.00	1.09
2422.11,.21	5C	Underground Cable - Metallic	52.69	0.40	0.28	0.16	0.05	0.14	0.00	1.03
2423.11,.21	45C	Buried Cable - Metallic	518.15	2.65	2.90	1.68	0.47	2.25	0.00	9.96
2426.1	62C	Intrabuilding Network Cable - Metallic	11.95	0.07	0.07	0.04	0.01	0.06	0.00	0.25
2422.12,.22	85C	Underground Cable - NonMetallic	6.17	0.04	0.03	0.02	0.01	0.01	0.00	0.10
2232.2	257C	Circuit Equipment - Pair Gain - Digital	126.19	1.20	0.54	0.31	0.11	0.13	0.00	2.29
2423.12,.22	845C	Buried Cable - NonMetallic	120.51	0.62	0.68	0.39	0.11	0.15	0.00	1.94
2421.12,.22	852C	Aerial Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2426.2	862C	Intrabuilding Network Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2423.11	35C	Buried Cable - Drop	70.05	0.36	0.39	0.23	0.06	0.30	0.00	1.35
2421.11	42C	Aerial Cable - Drop	13.58	0.12	0.08	0.04	0.01	0.15	0.00	0.40
2111	20C	Land	0.35	0.00	0.00	0.00	0.00	0.00		0.01
2121	110C	Building	7.61	0.02	0.06	0.03	0.01	0.01		0.12
		Total	**1,050.26**	**6.03**	**5.75**	**3.33**	**0.95**	**3.63**	**0.00**	**19.69**

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
TOTAL PRODUCT COST-LOOP-IA

Row	11/12/01 4:01 PM Iowa	Source or Calculation	Factor Value	SLC Loop - Residence
			A	B
1	**Investment**	sl r"Total" cD		1,050.26
2				
3	***Investment Based Costs***	***sl r"Total" cK***		19.69
4				
5	Direct Expenses			0.00
6	Miscellaneous Expenses			0.00
7	Billing & Collection - PL			0.00
8	***Investment Based + Direct Costs***			19.69
9				
10	***Commercial - Residence***			
11	Product Management Expense			N/A
12	Sales Expense			N/A
13	Product Advertising Expense			N/A
14	Business Fees (Other Operating Taxes)	cA*(r8-r6)	0.003525	0.07
15	***Total Commercial Costs***	***Sum r14:r14***		0.07
16				
17	***Total Direct Costs (TSLRIC)***	***r8 + r15***		19.76
18				
19	***Network Support***			
20	Network Operations	cA*(r8-r6)	0.038569	0.76
21	Network Support Assets	cA*(r8-r6)	0.012553	0.25
22	***Total Network Support Costs***	***Sum r20:r21***		1.01
23				
24	***Direct + Network Support Costs***	***r17 + r22***		20.77
25				
26	***Directly Attributable***			
27	General Support Assets	cA*(r8-r6)	0.092431	1.82
28	General Purpose Computers	cA*(r8-r6)	0.039697	0.78
29	Uncollectible	cA*(r8-r6)	0.006331	0.12
30	Accounting & Finance Expense	cA*(r8-r6)	0.008068	0.16
31	Human Resources Expense	cA*(r8-r6)	0.007815	0.15
32	Information Management Expense	cA*(r8-r6)	0.058259	1.15
33	Intangibles	cA*(r8-r6)	0.002213	0.04
34	***Total Directly Attributable Costs***	***Sum r27:r33***		4.23
35				
36	***Direct + Ntwk Supp + Attributable Costs***	***r24 + r34***		25.00
37				
38	Common	cA*(r8-r6)	0.047891	0.94
39				
40	***Fully Allocated Costs***	***r36 + r38***		25.94

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
INVESTMENT COST CALC-LOOP-MN

Minnesota — SLC Study

Acct	FRC	Account Name	Investment	Depreciation	Cost Of Money	Income Tax	Ad Valorem	Maintenance	Switch RTU	Total Capital Costs
SLC Loop - Residence										
2411	1C	Poles	16.44	0.12	0.09	0.05	0.00	0.02	0.00	0.27
2421.11,.21	52C	Aerial Cable - Metallic	28.26	0.26	0.17	0.10	0.00	0.31	0.00	0.84
2431	3C	Aerial Wire	1.21	0.02	0.01	0.01	0.00	0.00	0.00	0.04
2441	4C	Conduit System	77.86	0.16	0.47	0.27	0.01	0.18	0.00	1.10
2422.11,.21	5C	Underground Cable - Metallic	55.27	0.39	0.32	0.18	0.01	0.15	0.00	1.05
2423.11,.21	45C	Buried Cable - Metallic	483.05	2.57	2.73	1.57	0.06	2.37	0.00	9.30
2426.1	62C	Intrabuilding Network Cable - Metallic	10.89	0.07	0.06	0.04	0.00	0.10	0.00	0.26
2422.12,.22	85C	Underground Cable - NonMetallic	5.39	0.03	0.03	0.02	0.00	0.00	0.00	0.08
2232.2	257C	Circuit Equipment - Pair Gain - Digital	112.92	1.02	0.49	0.28	0.01	0.10	0.00	1.90
2423.12,.22	845C	Buried Cable - NonMetallic	79.14	0.42	0.45	0.26	0.01	0.09	0.00	1.23
2421.12,.22	852C	Aerial Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2426.2	862C	Intrabuilding Network Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2423.11	35C	Buried Cable - Drop	64.07	0.34	0.36	0.21	0.01	0.31	0.00	1.23
2421.11	42C	Aerial Cable - Drop	12.64	0.12	0.08	0.04	0.00	0.14	0.00	0.38
2111	20C	Land	0.50	0.00	0.00	0.00	0.00	0.00		0.01
2121	110C	Building	9.42	0.03	0.06	0.04	0.00	0.03		0.16
		Total	**957.04**	**5.55**	**5.32**	**3.06**	**0.13**	**3.81**	**0.00**	**17.85**

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
TOTAL PRODUCT COST-LOOP-MN

Row	11/12/01 4:09 PM Minnesota	Source or Calculation	Factor Value	SLC Loop - Residence
			A	B
1	**Investment**	sI r"Total" cD		957.04
2				
3	***Investment Based Costs***	***sI r"Total" cK***		17.85
4				
5	Direct Expenses			0.00
6	Miscellaneous Expenses			0.00
7	Billing & Collection - PL			0.00
8	***Investment Based + Direct Costs***			17.85
9				
10	***Commercial - Residence***			
11	Product Management Expense			N/A
12	Sales Expense			N/A
13	Product Advertising Expense			N/A
14	Business Fees (Other Operating Taxes)	cA*(r8-r6)	0.003042	0.05
15	***Total Commercial Costs***	***Sum r14:r14***		0.05
16				
17	***Total Direct Costs (TSLRIC)***	***r8 + r15***		17.91
18				
19	***Network Support***			
20	Network Operations	cA*(r8-r6)	0.051303	0.92
21	Network Support Assets	cA*(r8-r6)	0.015216	0.27
22	***Total Network Support Costs***	***Sum r20:r21***		1.19
23				
24	***Direct + Network Support Costs***	***r17 + r22***		19.10
25				
26	***Directly Attributable***			
27	General Support Assets	cA*(r8-r6)	0.093776	1.67
28	General Purpose Computers	cA*(r8-r6)	0.043779	0.78
29	Uncollectible	cA*(r8-r6)	0.006721	0.12
30	Accounting & Finance Expense	cA*(r8-r6)	0.009727	0.17
31	Human Resources Expense	cA*(r8-r6)	0.008915	0.16
32	Information Management Expense	cA*(r8-r6)	0.063368	1.13
33	Intangibles	cA*(r8-r6)	0.003429	0.06
34	***Total Directly Attributable Costs***	***Sum r27:r33***		4.10
35				
36	***Direct + Ntwk Supp + Attributable Costs***	***r24 + r34***		23.20
37				
38	Common	cA*(r8-r6)	0.062036	1.11
39				
40	***Fully Allocated Costs***	***r36 + r38***		24.31

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
INVESTMENT COST CALC-LOOP-MT

Montana — SLC Study

Acct	FRC	Account Name	Investment	Depreciation	Cost Of Money	Income Tax	Ad Valorem	Maintenance	Switch RTU	Total Capital Costs
SLC Loop - Residence										
2411	1C	Poles	26.94	0.20	0.13	0.07	0.03	0.09	0.00	0.51
2421.11,.21	52C	Aerial Cable - Metallic	43.22	0.40	0.23	0.12	0.04	0.25	0.00	1.04
2431	3C	Aerial Wire	2.24	0.03	0.02	0.01	0.00	0.00	0.00	0.06
2441	4C	Conduit System	72.79	0.13	0.46	0.24	0.07	0.02	0.00	0.92
2422.11,.21	5C	Underground Cable - Metallic	49.28	0.31	0.28	0.15	0.05	0.10	0.00	0.89
2423.11,.21	45C	Buried Cable - Metallic	787.16	3.75	4.52	2.39	0.78	1.93	0.00	13.38
2426.1	62C	Intrabuilding Network Cable - Metallic	9.16	0.04	0.05	0.03	0.01	0.03	0.00	0.16
2422.12,.22	85C	Underground Cable - NonMetallic	7.15	0.03	0.04	0.02	0.01	0.00	0.00	0.11
2232.2	257C	Circuit Equipment - Pair Gain - Digital	208.48	1.83	0.90	0.48	0.21	0.21	0.00	3.62
2423.12,.22	845C	Buried Cable - NonMetallic	269.00	1.28	1.55	0.82	0.27	0.14	0.00	4.06
2421.12,.22	852C	Aerial Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2426.2	862C	Intrabuilding Network Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2423.11	35C	Buried Cable - Drop	129.23	0.62	0.74	0.39	0.13	0.32	0.00	2.20
2421.11	42C	Aerial Cable - Drop	17.54	0.16	0.09	0.05	0.02	0.10	0.00	0.42
2111	20C	Land	0.81	0.00	0.01	0.00	0.00	0.00		0.01
2121	110C	Building	10.57	0.03	0.07	0.04	0.01	0.02		0.17
		Total	**1,633.58**	**8.81**	**9.10**	**4.82**	**1.62**	**3.22**	**0.00**	**27.56**

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
TOTAL PRODUCT COST-LOOP-MT

Row	11/12/01 4:17 PM Montana	Source or Calculation	Factor Value	SLC Loop - Residence
			A	B
1	**Investment**	sl r"Total" cD		1,633.58
2				
3	***Investment Based Costs***	***sl r"Total" cK***		27.56
4				
5	Direct Expenses			0.00
6	Miscellaneous Expenses			0.00
7	Billing & Collection - PL			0.00
8	***Investment Based + Direct Costs***			27.56
9				
10	***Commercial - Residence***			
11	Product Management Expense			N/A
12	Sales Expense			N/A
13	Product Advertising Expense			N/A
14	Business Fees (Other Operating Taxes)	cA*(r8-r6)	0.003768	0.10
15	***Total Commercial Costs***	***Sum r14:r14***		0.10
16				
17	***Total Direct Costs (TSLRIC)***	***r8 + r15***		27.67
18				
19	***Network Support***			
20	Network Operations	cA*(r8-r6)	0.040406	1.11
21	Network Support Assets	cA*(r8-r6)	0.019855	0.55
22	***Total Network Support Costs***	***Sum r20:r21***		1.66
23				
24	***Direct + Network Support Costs***	***r17 + r22***		29.33
25				
26	***Directly Attributable***			
27	General Support Assets	cA*(r8-r6)	0.122099	3.37
28	General Purpose Computers	cA*(r8-r6)	0.039806	1.10
29	Uncollectible	cA*(r8-r6)	0.010865	0.30
30	Accounting & Finance Expense	cA*(r8-r6)	0.008486	0.23
31	Human Resources Expense	cA*(r8-r6)	0.007925	0.22
32	Information Management Expense	cA*(r8-r6)	0.055343	1.53
33	Intangibles	cA*(r8-r6)	0.002873	0.08
34	***Total Directly Attributable Costs***	***Sum r27:r33***		6.82
35				
36	***Direct + Ntwk Supp + Attributable Costs***	***r24 + r34***		36.15
37				
38	Common	cA*(r8-r6)	0.050464	1.39
39				
40	***Fully Allocated Costs***	***r36 + r38***		37.54

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
INVESTMENT COST CALC-LOOP-NE

Nebraska — SLC Study

Acct	FRC	Account Name	Investment	Depreciation	Cost Of Money	Income Tax	Ad Valorem	Maintenance	Switch RTU	Total Capital Costs
SLC Loop - Residence										
2411	1C	Poles	18.98	0.15	0.08	0.04	0.01	0.05	0.00	0.34
2421.11,.21	52C	Aerial Cable - Metallic	26.61	0.18	0.15	0.08	0.01	0.29	0.00	0.71
2431	3C	Aerial Wire	1.09	0.02	0.01	0.00	0.00	0.00	0.00	0.03
2441	4C	Conduit System	86.28	0.16	0.54	0.29	0.03	0.06	0.00	1.08
2422.11,.21	5C	Underground Cable - Metallic	57.28	0.40	0.31	0.17	0.02	0.17	0.00	1.07
2423.11,.21	45C	Buried Cable - Metallic	473.94	2.58	2.67	1.43	0.17	2.85	0.00	9.69
2426.1	62C	Intrabuilding Network Cable - Metallic	16.92	0.09	0.09	0.05	0.01	0.05	0.00	0.28
2422.12,.22	85C	Underground Cable - NonMetallic	5.60	0.03	0.03	0.02	0.00	0.01	0.00	0.09
2232.2	257C	Circuit Equipment - Pair Gain - Digital	151.19	1.40	0.64	0.34	0.06	0.12	0.00	2.55
2423.12,.22	845C	Buried Cable - NonMetallic	145.47	0.79	0.82	0.44	0.05	0.21	0.00	2.31
2421.12,.22	852C	Aerial Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2426.2	862C	Intrabuilding Network Cable - NonMetallic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2423.11	35C	Buried Cable - Drop	60.47	0.33	0.34	0.18	0.02	0.36	0.00	1.24
2421.11	42C	Aerial Cable - Drop	13.71	0.09	0.08	0.04	0.01	0.15	0.00	0.37
2111	20C	Land	0.48	0.00	0.00	0.00	0.00	0.00		0.01
2121	110C	Building	12.38	0.04	0.08	0.04	0.00	0.04		0.21
		Total	**1,070.39**	**6.26**	**5.84**	**3.13**	**0.39**	**4.36**	**0.00**	**19.98**

QWEST CORPORATION'S SUBMISSION OF COST INFORMATION
ATTACHMENT 2: LOOP
TOTAL PRODUCT COST-LOOP-NE

Row	11/12/01 4:23 PM Nebraska	Source or Calculation	Factor Value	SLC Loop - Residence
			A	B
1	**Investment**	sl r"Total" cD		1,070.39
2				
3	***Investment Based Costs***	***sl r"Total" cK***		19.98
4				
5	Direct Expenses			0.00
6	Miscellaneous Expenses			0.00
7	Billing & Collection - PL			0.00
8	***Investment Based + Direct Costs***			19.98
9				
10	***Commercial - Residence***			
11	Product Management Expense			N/A
12	Sales Expense			N/A
13	Product Advertising Expense			N/A
14	Business Fees (Other Operating Taxes)	cA*(r8-r6)	0.033034	0.66
15	***Total Commercial Costs***	***Sum r14:r14***		0.66
16				
17	***Total Direct Costs (TSLRIC)***	***r8 + r15***		20.64
18				
19	***Network Support***			
20	Network Operations	cA*(r8-r6)	0.039494	0.79
21	Network Support Assets	cA*(r8-r6)	0.010426	0.21
22	***Total Network Support Costs***	***Sum r20:r21***		1.00
23				
24	***Direct + Network Support Costs***	***r17 + r22***		21.63
25				
26	***Directly Attributable***			
27	General Support Assets	cA*(r8-r6)	0.047824	0.96
28	General Purpose Computers	cA*(r8-r6)	0.044510	0.89
29	Uncollectible	cA*(r8-r6)	0.007326	0.15
30	Accounting & Finance Expense	cA*(r8-r6)	0.010625	0.21
31	Human Resources Expense	cA*(r8-r6)	0.007596	0.15
32	Information Management Expense	cA*(r8-r6)	0.060154	1.20
33	Intangibles	cA*(r8-r6)	0.002379	0.05
34	***Total Directly Attributable Costs***	***Sum r27:r33***		3.60
35				
36	***Direct + Ntwk Supp + Attributable Costs***	***r24 + r34***		25.24
37				
38	Common	cA*(r8-r6)	0.061680	1.23
39				
40	***Fully Allocated Costs***	***r36 + r38***		26.47